G. R. S. IX-5]

Previous references.

File No. 237-17

1917.

(67)

Serial Nos. /

Later references.

F. D. 28-38 (1-2)

GENERAL AND REVENUE SECRETARIAT.

X 1917

Serial Nos. /

Part B for June 1918

SUBJECT.

Deciding whose signature should be considered valid on vouchers

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W D 1250—GPB—30,000 28-1-19

G. R. S. III—1] 1917.

GENERAL AND REVENUE SECRETARIAT.

(67)

NOTES.

File No. 237-17

FILE HEADING.

Deciding whose signature should be considered valid on vouchers in the case of payments made to partnership firms

From

No.	Dated	Received
Diary No.	Enclos. Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

P. T. O.

P.W.D. 12]

General and Revenue Secretariat.

File No. 57 of 191 .

SECRETARY'S OFFICE
REGD. NO.
18 DEC 1917
MYSORE P. W. DEPT.

Serial No.

Letter no. 7452/G.A. II 1440 dated the 12th April 1916, from the Comptroller, P.W. Branch

With the above, the Comptroller forwards copies of correspondence that has taken place between the Superintendent, P.W. Workshop, the Govt Advocate & himself regarding the question as to whose signature on vouchers can be considered as valid in the case of payments made to firms on account of articles supplied to the P.W.D. According to the opinion of the Govt Advocate, a receipt for payment to a firm can be considered as valid, only if it is signed by a partner of the firm & on account of it. The Comptroller states that there are, however, practical difficulties in enforcing this rule, as it will necessitate constant maintenance of complete & up to date lists of partners of firms ~~being maintained~~ in the Division offices as well as in the Central office of Audit in order to verify the signatures on vouchers for payments made to the numerous firms. The Comptroller has not furnished his

NOTE—Contn. sheet.

GPB—3,000—17-12-14

General and Revenue Secretariat. | File No. 27/ of 1917.

Serial No.

his own opinion in the matter. Perhaps, Before the Supg Engineer, Southern Circle, may be able to furnish some suggestions in this connection, as he has not been consulted.

2. In this connection, it is, however, suggested whether ~~such~~ this procedure may not be followed. When an officer places orders with a firm he may at the same time request it to furnish a sample of the signature of the person who would sign the bill on behalf of the firm & the same communicated to the Addl dit Office for reference.

Sir.

Resubmitted

11-5-16

26/4/16.

N.O. 141 PWD. Dated the 10th May 1916.

Forwarded to the Supg. Engr. Southern Circle, with compliments, for favour of remarks and suggestions, if any.

for R.W. Sundaramma
Under Secy to Govt. P.W.D.
28.4.16

Accompaniments:
1 P.W. Comptroller's letter
No. 7453/G.A.II 1440
dt the 12th April 1916
with 3 enclosures.

NOTE—Contn. sheet.

GPB—3,000—17-12-14

P.W.D. 12]

(34

General and Revenue Secretariat.

File No. / of 191 /.

Serial No.

Letter no: 9454/M 92-17 dated 7th December 1917 from the Supg: Engr. Southern Circle -

The Supg: Engr: is of opinion that in the case of obscure firms who have transactions once in a way if the disbursing officer issues a certificate that payment was made to the best of his knowledge to the correct party, such certificate might be accepted by the Audit officer without question, and that in the case of partnership firms having frequent transactions they should be asked to deposit with the disburser before receiving first payment a declaration specifying the names of their partners and countersigned by the Asst: Registrar of Joint Stock companies -

- This a matter which affects not only the P.W.D. but all departments and can be more appropriately be dealt with by the Finance Department.

Dy: Secy:). 10.12.17

68

11 Dec 1917

10

N. 11697-17

M.O.169/PWD Dated the 15th December 1917

Forwarded with compliments, to the Financial Secretary & Asst: for favour of disposal or whether with opinion as to what orders may be issued in the matter -

for Secy & Asst: P.W.D.

NOTE—Contn. sheet.

GPB—3,000—27-12-14

(45

P.W.D. 12]

General and Revenue Secretariat.

97 File No. 37 of 1917.

Serial No.

SL: 1497-17

Sealed

The requirements of the law as explained by the Govt. advocate have been complied with.

If the Complr. apprehends practical difficulty in enforcing the rule in his office the course suggested by the Superintendg. Engineer, Southern circle, may be adopted. In any case either the Officer commanding the Hills or the audit officer should in every case satisfy himself that the person who has signed the bill has authority to do so and obtain a valid guarantee.

18
30-12-1917

Returned to Public Works Dept. with the compliments of Revenue Secretariat.

18.

for Secretary to Govt.

NOTE—Contn. sheet.

GPB—3,000—17-12-14

(57)

6

WD 1288—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

~~File~~ No. 045 / of 1918.

Serial No.

3828 / 24.1.18

12304

5 - APR 1918

Submitted to the Dewan of Mysore, for favour of approval to the draft Government order put up.

2. As the orders contained in the Government order will apply to the audit of bills of all departments of the State, the Government Order may issue from the Financial Department, if Government see no objection thereto.

H. Madambi.

Joint Secretary to Government,
Public Works Department.

Camp, Mysore,
21st Jnauary 1918.

H 14977

The draft order may kindly be scrutinized by the Financial Secretary and issued under the direction of the First Member if he agrees.

1.4.18 A.6

To

The Financial Secretary
& Secretary.

3/4/1918

Yes.

18
5.4.18

NOTE—Contn. sheet.

G. R. S. III-2j

General and Revenue Secretariat.

~~P.W.D.~~ File No. ~~D-4-5~~ of 1917

Serial No.

Fl. 1497-17

The draft seems to be all right except the last part of para 3. What has the Regr of Joint-Stock companies to do with private partnerships? However that is only recapitulation of the Supply Engrs opinion.

25/4

Returned to the Mr. Secy with compliments.

25/4/18

m. offl No. 557/0220 dated the 2nd May 1918.

H.R.R.

4 MAY 1918

01530

Forwarded, with compliments, to the Chief Secretary to Government, for favour of issuing the Government Order under the direction of the Minister Member, as per Rewan's orders dated 1st April 1918 on page 5.

R. V. Sundaram
for Secretary to Government,
Public Works Department.

H.R.R.

Mr

(Min member). For approval of the draft.

28/4/18

4299
4/6

Offd
Clk
2/6

Dasn 2/6.

NOTE—Contn. sheet.

G. R. S. 12]

General and Revenue Secretariat.

File No. 27 of 1917.

Serial No.	
1	The Comptroller " Chief Engineer " " Medical Engineer. Heads of Dept. H.E. No. 7162-6128, 10 6-18. Direct that the requirements of law as explained by the Govt Advocate should be complied with & also lay down either that officer countersigning the bills or the audit officer should in every case satisfy himself that the person who has signed the bill has severally to do so & [illegible]

NOTE—Contn. sheet

GPB—70,000—17-12-15

P. W. Serial No. 114]

No. 7452

C.A.II.1440

Enclosures - 3.

SECRETARY'S OFFICE
REGD. No. 3347
15 APR 1916

MYSORE PUBLIC WORKS DEPARTMENT,
CENTRAL OFFICE OF ACCOUNTS,

Dated Bangalore, the 12th April 1916.

14/4/16

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted. All communications should be addressed as follows:—Comptroller, Mysore Public Works and Railway Branch, Bangalore.

FROM Rajamantrapravina
DEWAN BAHADUR
J. S. CHAKRAVARTI, ESQ., M.A., F.R.A.S., etc.,
Comptroller to the Government
of His Highness the Maharaja of Mysore,
Public Works and Railway Branch.

To

Rajasabha Bhushana
Karpur Shrinivasrav Esq., B.Sc., L.C.E.,
Secretary to the Government of Mysore,
Public Works Department, Bangalore.

Sir,

I have the honour to submit herewith copies of the marginally noted correspondence, regarding the question as to whose signature on vouchers can be considered as valid in the case of payments made to firms on account of articles supplied to the Department. According to the opinion of the Government Advocate, a receipt for payment to a firm can be considered as valid, only if it is signed by a partner of the firm for and on account of it. There are, however, practical difficulties in enforcing the above rule. This will necessitate, for instance, complete and up-to-date lists of partners of firms being maintained in the Divisional Offices as well as in the Central Office of Audit in order to verify the signatures on vouchers for payments made to the numerous firms, with which the Department happens to have transactions of any kind. I request orders of Government in the matter.

I have the honour to be,
Sir,
Your most obedient servant,

for COMPTROLLER,
P. W. & RAILWAY BRANCH

CY

12.4.16

(1) Letter dated the 7th December 1915 from the Superintendent, Public Works Workshop Range.
(2) This office letter No.4507-8/C.A.I.998 dated the 21st December 1915 to the Government Advocate, Bangalore.
(3) Letter No.238, dated the 19th January 1916 from the Government Advocate.

SECRETARY'S OFFICE
REGD. NO.
8-DEC 1917
MYSORE P. W. D.

SECRETARY'S OFFICE
REGD. NO.
15. APR 1916
MYSORE P. W. D.

W

Letter No. 13/Tech.1 dated the 7th December 1915 from the -- Superintendent, Public Works, Workshop Range, Bangalore, to the Comptroller, P. W. & Ry Branch, Bangalore.

I have the honour to state that vouchers received by --- Messrs. Hajee Abdul Rahiman Sahib & Sons, bear the signature -- "Hajee Abdul Rahiman Sahib & Sons". Hajee Abdul Rahiman Saib and Sons is a body evidently not capable of signing itself and therefore requiring some Agent duly authorised by the Firm to carry out such transactions. Besides, it is apparent that the signature -- "Hajee Abdul Rahiman Sahib & Sons" as now affixed to the voucher enclosed herein for favour of kind reference and early return, -- cannot be a genuine one but is written by a clerk in the firm or somebody else. Further, Mr. Hajee Abdul Rahiman Saib who first -- Established the firm is since dead.

Under the above circumstances, I beg to solicit the favour of very early instructions as to whether the firm vouchers signed as above in acknowledgment of receipt of payments in settlement of the firm's claims can be safely accepted as bona fide one and payments made on the authority thereof or whether there is any legal or codal objection to accept them.

The favour of very early instructions is solicited in the matter, as there are several bills of the firm to be paid and the firm people are pressing for early settlement of the claims which I am not in a position to settle pending your instructions -- sought for.

"Copy"

Head Clerk, Comptroller's Office,
P. W. and Railway Branch,
Bangalore.

OFFICE,
REGD. NO.
8-DEC 1917
APR 1917

17

Letter No.4507/G.A.II.998 dated the 21st December 1915 from the Comptroller, Public Works and Railway Branch, to the Government Advocate, Bangalore.

I have the honour to forward herewith copy of the Public Works Workshop Range Superintendent's letter No.13 of the 7th instant, enquiring as to whose signature on vouchers can be -- considered as valid in the case of payments made to firms such as Hajee Abdul Rahiman Saib & Sons and to request the favour of your opinion in the matter. The voucher received from Messrs. Hajee Abdul Rahiman Saib & Sons is herein enclosed for reference and kind return.

An early reply is requested.

Copy of the above is forwarded to the Superintendent, Workshop Range for information, with reference to his letter No.13 dated the 7th December 1915. Further communication will be made on receipt of reply from the Government Advocate.

(Sd/-) K.R.Krishnaswamiengar,
For Deputy Comptroller,
P. W. & Railway Branch.

" C o p y "

Head Clerk, Comptroller's Office,
P. W. & Ry Branch,
Bangalore.

Regd. No.
1 APR

12

Letter No.239 dated the 19th January 1916 from the Government Advocate, in Mysore, Bangalore, to the Comptroller to the Government of Mysore, P. W. & Ry Branch, Bangalore.

With reference to your letter No.4507/G.A.I.998 dated the 21st December 1915, inquiring if vouchers of the kind forwarded therewith may be accepted as valid, I have the honour to state that the firm ~~xfxxxxxxxxxxx~~ in question viz., Abdul Rahiman & Sons is an ordinary firm of partnership, the partners of which are not known to us and cannot be ascertained from the printed letter heads. It is -- difficult to find out from the subscription of the firm's name contained in the receipt whether any partner or other person authorised to sign on behalf of the firm has so subscribed. The law on the -- subject may be summarised thus:-

If a debt is due to a firm payment by the debtor to any one partner extinguishes the claim of all and as one partner can accept payment of a debt due to the firm he can effectually release and -- give a valid receipt for such debt, or in other words each partner has authority to receive money due to the firm and to give valid receipts. In these circumstances it is advisable to ask the firm to give hereafter receipts signed by a partner of the firm for and on account of it. Otherwise, it may not bind the firm and will be of no use to us.

2. The receipt received with the letter under reply is herewith returned.

" Copy "

Head Clerk, Comptroller's Office,
P. W. & Railway Branch,
Bangalore.

U R G E N T.

SECRETARY'S OFFICE, REGD. No. 8741 8-DEC 1917 MYSORE P. W. DEPT.

No. 9454/M.93-17.
1 file of 7 papers.

Mysore Public Works Department.
Office of the Superintending Engineer,
Southern Circle.
Bangalore dated the 7th. December 1917.

From

The Superintending Engineer,
Southern Circle, Bangalore.

To

The Chief Engineer of Mysore,
Bangalore.

Reference:-

Chief Engineer's Un-official No.141/P.W.D. dated 10-5-1916, forwarding for information the correspondence emanated from the Superintendent of the P.W.Work-shop as to whose signature if obtained on a receipt due from firms of partnership will be valid - and requesting suggestions as to how the difficulty anticipated by the Comptroller can be practically overcome if in every case it should be ruled that only a partner of the firm is legally - competent to sign a receipt.

- - - - - - - - -

Sir,

In returning the above, I have the honor to inform you that the 1st. part of the question has been solved by the Government Advocate. As regards the second part Mr. Alfred Chatterton who was consulted on the matter is of opinion that if all accounts - were paid by cheques the onus of satisfying oneself that the payment was made to the correct party would be thrown on the bank - who are amply able to protect themselves in as much as law provides very heavy penalty for forging signatures, and granting false receipts will come under the category of forging signatures. This opinion will necessitate the payment of even very small sums by - cheques. While this may not be possible always it does not afford a complete solution; for instead of the disburser experi[illegible] ing

44

experiencing the difficulty the banker or the Treasury Officer begins to feel the inconvenience. Civil Account Code Vol.I Article 390 while insisting on the Treasury Officer the necessity of satisfying himself that payments are made to the correct parties who can give legal acquittance does not specify how it can best be done. It seems to leave the matter to the discretion of the officer as in the case of payments less than Rs.500/- due to deceased depositors from General Provident fund account. Accordingly I am of opinion that Government should rule that in the case of obscure firms who have transactions once in a way of the disbursing officer issues a certificate that payment was made to the best of his knowledge to the correct party such certificate might be accepted by the audit officer without question. In the case however of partnership firms having frequent transactions they should be asked to deposit with the disburser before receiving 1st. payment a declaration specifying the names of their partners and countersigned by the Government registrar of Joint Stock Companies. In such cases the payment to any of the partners under that partner's receipt becomes legally valid.

II. The delay in the disposal of this case which is purely due to its intricacy and heavy work in the office, may kindly be overlooked.

I have the honor to be,

Sir,

Your most obedient servant,

Superintending Engineer,

Southern Circle.

TVR.

Draft -

To be given a file number

Proceedings of the Government of
His Highness the Maharaja of Mysore.

~~Public Works Department.~~

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4 MAY

J1493

Read:-

(1) Comptroller's Letter No.7452/G.A.II 1440 dated the 12th April 1916.

(2) Supdg. Engr. Southern Circle's Letter No.9454/M.92-17 dated the 7th December 1917.

Order No. ~~7563-613~~ G.7.237-17-1 dated 1st ~~January~~ June 1918

In the first of the letters read above, the Comptroller forwards for orders of Government copies of correspondence between himself and the Government Advocate on a question raised by the Superintendent of P.W. Workshop as to whose signature on vouchers can be considered as valid in the case of payments made to partnership firms on account of articles supplied to Government Departments.

2. The law on the subject, as summarised by the Government Advocate, is that if a debt is due to a firm, payment by the debtor to any one partner extinguishes the claim of all and as one partner can accept payment of a debt due to the firm he can effectually release and give a valid receipt for such debt, or in other words each

partner has authority to receive money due to the firm and to give valid receipts. The Government Advocate is therefore of opinion that it is necessary to ask the firm concerned to give receipts signed by a partner of the firm for and on account of it. The Comptroller, however, apprehends that there are practical difficulties in enforcing this rule, as it necessitates complete and up-to-date lists of partners of firms being maintained in the offices of payment as well as in the Audit office in order to verify the signatures on vouchers for payments made to the numerous firms, with which a Department may happen to have transactions ~~of any kind~~.

3. The Superintending Engineer, Southern Circle, who was consulted in the matter, is of opinion that in the case of obscure firms who have transactions once in a way, if the disbursing officer issues a certificate that payment was made to the best of his knowledge to the correct party, such certificate might be accepted by the audit office without question; and that in the case of partnership firms having frequent transactions, they should be asked to deposit with the disburser before receiving first payment a declaration specifying the names of their partners and countersigned by the Government Registrar of Joint Stock Companies.

4. In these circumstances, government are pleased to direct that the requirements of the law as explained by the Government Advocate should be complied with. In case there the Comptroller apprehends practical difficulties in enforcing the rule in his office, the course suggested by the Superintending Engineer, Southern Circle, may be adopted. As a rule In any case, either the officer countersigning the bills or the audit officer should in every case satisfy himself that the person who has signed the bill has authority to do so and to give a valid quittance.

~~Joint~~ Secretary to Government,
~~P.W.~~ Public Department.

To

The Comptroller
The Chief Engineer
The Chief Electrical Engineer.

Exhibit

18

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read.-

Comptroller's letter No.7452/G.A.II-1440 dated the 18th April 1916.

2. Superintending Engineer Southern Circle's letter No. 9454/M.92-17 dated the 7th December 1917.

Order-No. H7563-612 / 97237-17-1

Dated, Bangalore, the 10 June 1918.

In the first of the letters read above, the Comptroller forwards, for orders of Government, copies of correspondence between himself and the Government Advocate on a question raised by the Superintendent of Public Works Workshop as to whether signature on vouchers can be considered as valid in the case of payments made to partnership firms on account of articles supplied to Government Departments.

2. The law on the subject, as summarised by the Government Advocate, is that if a debt is due to a firm, payment by the debtor to any one partner extinguishes the claim of all, and as one partner can accept payment of a debt due to the firm, he can effectually release and give a valid receipt for such debt, or, in other words, each partner has authority to receive money due to the firm and to give valid receipts. The Government Advocate is therefore of opinion that it is necessary to ask the firm concerned to give receipts signed by a partner of the firm for and on account of it. The Comptroller, however, apprehends that there are practical difficulties in enforcing this rule, as it necessitates complete and up-to-date lists of partners of firms being maintained in the offices of payment

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19

audaxka as well as in the Audit office in order to verify the signatures on vouchers for payments made to the numerous firms, with which a Department may happen to have transactions.

3. The Superintending Engineer, Southern Circle, who has consulted in the matter, is of opinion that in the case of obscure firms who have transactions once in a way, if the disbursing officer issues a certificate that payment was made to the best of his knowledge to the correct party, such certificate might be accepted by the audit office without question; and that in the case of partnership firms having frequent transactions, they should be asked to deposit with the disbursor before receiving first payment a declaration specifying the names of their partners and countersigned by the Government Registrar of Joint Stock Companies.

4. In these circumstances, Government are pleased to direct that the requirements of the law as explained by the Government Advocate should be complied with. In cases where the Comptroller apprehends practical difficulties in enforcing the rule in his office, the course suggested by the Superintending Engineer, Southern Circle, will be adopted. As a rule, either the officer countersigning the bills or the audit officer should in every case satisfy himself that the person who has signed the bill has authority to do so and to give a valid quittance.

For Financial Secretary to Government.

To

The Comptroller, Mysore Government.
The Chief Engineer in Mysore.
The Chief Electrical Engineer in Mysore.
other Heads of Departments.

VKGS.